

ENERGY EFFICIENCY AND RESOURCE MANAGEMENT COUNCIL

Minutes-May 12, 2011

Conference Room B, Second Floor

Call to Order: The meeting was called to order by Chairman Ryan at 3:35 PM

Members Present: Paul Ryan, Joe Newsome, Joe Cirillo, Ken Payne, Dan Justynski, Marion Gold, Ed White and Abigail Anthony

Consultants Present: Mike Guerard and Scudder Parker

Staff Present: Charles Hawkins

Others Present: Puja Vohra, Karl Munzel, Carolyn Sarno, Mane Meehan, Michael McAteer, Rachel Henschel, Jeremy Newberger, Iliana Williams, Peter Asen, Rachel Sholly, Katie O'Rourke, and Brian Kearney

Executive Director Report

Ken Payne began with an update on a busy Assembly energy agenda.

PIPP legislation has been heard in committee and the Chafee administration support progress on this issue. However, the mechanics of low income (LI) legislation is not likely to be in the form

of a PIPP but will probably contain the following components.

- A strong commitment to EE including energy educational initiatives
- Affordable rates, especially in the initial block.
- Some type of long term arrearage relieve

Progress needs to be made quickly on LI issues with LIHEAP cuts coming next winter.

On the renewable energy (RE) an effort is being made to refine net metering (NM) so it does not raise FERC concerns. Rep. Ruggiero's task force has put in a placeholder bill on distributed generation long term contracting.

An initial consultation meeting on RGGI rules and an allocation plan occurred that included DEM, OER and a sub-committee of the EERMC. The result was a viable product to be considered by the Council today and later at a public hearing.

At the OER, the LIHEAP season ended at the end of April and things are winding down with final payments going out. The number of LIHEAP clients dropped by 1,000 this year, with almost all of the drop-off occurring in Providence. Dan J. asked if the drop-off in Providence could be attributed to foreclosures. Ken P. felt that may be possible but he did not see the same drop-off in the Blackstone Valley.

About \$4.3M in ARRA funding will be reprogrammed with a tentative

award of \$3.2M going to wastewater treatment EE. Another \$1M has been proposed for RE installations at state parks. Finally some money will go into the existing deliverable fuels program. New contracts have been executed with the CAPS for the NGrid LI WAP programs. Marion G. asked about the progress of the technical fix to gas DSM fuels program.

Ken P. said that the bill will be heard that day in committee.

NGrid Presentation on Codes and Standards

Puja Vohra of NGrid and Carolyn Sarno of NEEP were introduced to give this presentation (attached). EE programs need to be designed so they support the new more stringent building codes mandated by ARRA. California has run EE programs based on codes and standards that have proven to be cost effective with significant energy savings. NGrid has been collaborating with NEEP and the RI Building Code Comm. to provide technical support and establish an energy savings quantification model. The goal is to get to what percent of RI's EE portfolio will be spent on codes efforts and what the percent of savings will be from the overall effort.

RI is now using the International Green Construction Code as an alternative compliance method to meet green building requirements. This is an opportunity to see if this code works for RI and if it can be adopted in lieu of IECC. NEEP is preparing a white paper for code commissioners on using specialized third party inspectors similar to

a Maine program. They are looking at the lessons learned from Washington State and Maine to see if it is viable in RI.

Three training programs have been completed with large attendance. Feedback will be gathered through evaluations forms. The next step is to have a hands-on interactive training with code officials, architects and builders. NEEP will hold “Train the Trainer” sessions with RI Commissioner Jack Leydon and his staff. This is being co-funded by RI and NGrid. The timeline would be: 2011 would be focused on training & research to develop a better program; 2012 would be focused on developing initiatives and in 2013 the program will be launched.

Mike McAteer of NGrid said in the next three years there is a need to be more strategic in deciding what role codes and standards will have so we can create the next generation of buildings. RI can go deeper and broader in EE during the next 3 years. Joe C. cited the RI Building Contractor Registration law which mandates training. Marion G. asked about appliance standards. Puja said that they had not been developed for RI, but she cited California which based theirs on federal standards. They calculate the energy savings by taking the number of sales times energy for each unit.

Paul R. felt you need to educate the public and the builders because of the substantial cost involved. Dan J. said there was a lot of talk about residential EE but C&I does not have the same momentum.

Puja said that C&I should get off the ground in July. Marion G. asked about the source of RI funding. Jack L. was using ARRA training funds.

NGrid Presentation-Comprehensive Spring Marketing Campaign

Iliana Williams of NGrid Marketing was introduced to give this presentation (attached). The objective is to drive EE program participation through these strategies:

- An integrate, multi-channel effort aimed at creating broader awareness of the benefits & availability of EE programs**
- Convey a message that there are EE programs for everyone in RI**
- Use of a dedicated, all-encompassing website “Call to Action”**

The main outlets that the campaign will employ are radio, out of home ads and the Call to Action website. Iliana played the radio spot for the Council. 85% of the costumers should be hearing these spots at least twice a week. Ads will rotate to keep them fresh.

The two “out of home” campaigns will feather billboards and transit posters. There are 6 billboards in development and they should be ready to go in June. There will be 170 transit poster put up in high traffic areas. The website’s visibility will be driven by search engine optimization. This will be a dedicated page featuring all RI EE programs with EE tips for the day. The timetable calls for the campaign to run from April-Oct.

Marion G. asked if she could access the pre-campaign awareness

survey to help reinforce NGrid's marketing efforts. Paul R. commented that the first thing that will drive participation is cost. Ed W. said that word of mouth is important in dispelling the impression that EE is costly. Marion G. asked if NGrid ties in their marketing with on-bill financing. Ed W. said that NGrid has a Twitter Account to increase awareness.

VEIC Monthly Report

The main activity of the consultants was finalizing and printing the Annual Report. They also testified at the 5/13 DPUC Technical Session on System Reliability (SR) and began initial research and discussions with stakeholders on the 3-Year EE Plan. They presented a paper to stakeholders on the design of NGrid shareholder incentives.

They have meeting on a quarterly basis on a variety of issues including barriers and challenges to delivering EE programs. They have also been participating in DSM Collaborative Meetings. They have also been working on LI issues like PIPPs and other best practices in the LI realm and how the EERMC can play a support role.

In the coming months VEIC will continue these activities with a particular emphasis on the development of NGrid's 3-year EE Plan which needs to be reviewed by the Council by 8/15 for a September submission. Paul R. suggested an update on PUC activity at the June

meeting.

Update on the EERMC's June Outreach events.

Marion G. said that the plan was to have two different kinds of stakeholder sessions; the first will be a listening session with each of the stakeholder groups. This will occur in the next six weeks. The purpose will be to have people who have participated in the EE programs share their experiences. The purpose of the second program will be to get new stakeholders involved in the EE programs.

Distribution of the Annual Report

The report has been distributed to all General Assembly members and the Governor's Policy Office. Abigail A. said the next chore is to get it out to other interested parties. Paul R. suggested planners and elected town officials. We also need to save some for the June outreach sessions and for the NEEP Summit in June. Abigail will send an e-mail with a list for the OER to distribute. Paul R. wanted copies to go out to Chambers of Commerce with cover letters. It will also go on the EERMC website.

RGGI Consultation and Vote

Ken P. distributed two documents: A 2011 Plan for the Allocation and Distribution of the RGGI Proceeds; and underlying Rules and

Regulations for RGGI which will provide RGGI guidance going forward.

Ken P. asked members to go to Paragraph 6.0 on page 5 of the underlying Rules & Regs. This describes the process that will be used in developing a spending plan. This year's plan will allocate funds from the last 2009 auction & the 2010 auctions and see how auction amounts for 2011 are coming in, estimate an amount of money, and then do another allocation plan covering the 2011 auctions. This will bring us current in RGGI funds. It is a catch-up strategy.

On Page 5, Section 3.2 of the second document, the 2011 RGGI Allocation Plan, you see how the plan would allocate auction proceeds through 12/10. It has 80% for LCP, 15% for RE & EE projects in schools, which was requested by DEM, and finally a 5% allocation for EE education & outreach to LI rate payers. This distribution was reached after consultation with a sub-committee of the Council and DEM. The next step is a public hearing. After the hearing any changes that need to be made in response to public comments will be made before the final version is approved. This process will be concurrent with the adoption of the underlying Rules & Regs. In the fall timeframe another spending plan will be developed to allocate the rest of the 2011 proceeds.

Dan J. asked about how OER allocated staff time for RGGI activities.

The OER allocates actual time on RGGI on weekly timesheets. Abigail A. said that RGGI auction totals are falling. Jeremy N. expressed concern over language in Section 5.3 in the rules & Regs that reference proceeds for the previous calendar year. Ken P. said he was willing to delete this reference.

Jeremy N. also had other technical comments about the amount of funding and the timetable of when the money is distributed after the hearing. Would the Rules & Regs have a timetable in it that specifies when the funds would be distributed after the hearing. Ken P. does not want to force a timing issue when it could have a negative impact on being able to accomplish the purpose of the allocation plan. He proposed adding language to Section 6.4 of the Rules and Regs that would adopt & implement the annual allocation plan in a manner that effectuates the purpose of the allocation plan.

Paul R. suggested voting on the Rules & Regs as to be amended by adding language to Section 6.4 per Ken P.'s suggestion. Then take a separate vote on the 2011 Spending Plan.

A motion was made by Paul R. to approve the Rules and Regulations for the Allocation and Distribution of RGGI Funds with the addition of two amendments. It was seconded by Dan J. and passed unanimously

Jeremy N. had one additional comment on reporting requirements

specified in Section 5.4 of the 2011 Allocation Plan. NGrid asked that the date for reporting to the OER be changed from March 1st to May 1st . Ken P. suggested changing the language to state “May 1st or such other date as may be established under Chapter 23-82 for RGGI reporting.”

Joe N. wanted Ken P. to explain how the 80-15-5% breakout was determined. 80% was decided as the appropriate amount for LCP. Discussions were then held to decide how to spend the remaining 20%. The 5% for LI EE education was based on an actual cost estimate. This left 15% for other activities. Cost effective hydro was discussed but ARRA funding could accomplish this goal. This freed up the 15% for other statutory uses which include RE or EE projects for schools.

Paul R. then made a motion to approve the 2011 Plan for the Allocation and Distribution of RGGI Auction Proceeds as amended. It was seconded by Joe C. and passed unanimously.

Approval of March-April Minutes

A motion was made to approve the March Meeting Minutes. It was seconded by Joe N. and passed unanimously. A motion was to approve the April Meeting Minutes. It was seconded by Joe N and passed unanimously.

Public Comment

Brian Kearny said that NGrid had put out the RFP on their Community Initiative and received 10 responses from 15 communities. NGrid has also been working with the OER to finalize contracts for their LI programs. They are also getting ready to do a kickoff at the Newport Naval Station for a specific EE initiative.

Carolyn Sarno of NEEP mentioned their energy forum in June that will include a tour of Nathan Bishop Middle School a high performing EE school

A motion to adjourn was made by Paul R. It was seconded by Joe N. and passed unanimously. The meeting was adjourned at 5:45 PM.

Respectfully submitted:

Charles Hawkins

Secretary Pro-tempore